

100 – Rewards and Incentives

(Rev. 121, Issued: 04-22-16, Effective: 04-22-16, Implementation: 04-22-16)

An MA plan may create one or more *Rewards and Incentives (RI) Programs* that provide rewards and/or incentives to enrollees *in connection with participation* in activities that focus on promoting improved health, preventing injuries and illness, and promoting efficient use of health care resources. *The overall goal of RI Programs is to encourage enrollees to be actively engaged in their health care and, ultimately, improve and sustain their overall health and well-being.*

An RI Program incentivizes an enrollee to participate in health-promoting services or activities while inspiring a long-term commitment to healthy behaviors. Accordingly, in addition to providing rewards and/or incentives, plans should consider including an enrollee support component within their RI Program design (e.g., coaches or motivators to encourage and assist the enrollee with RI Program engagement).

At this time, RI Programs apply only to Part C (Medicare Advantage) at 42 CFR §422 and may not be offered in connection with any Part D benefits governed by 42 CFR §423.

Pursuant to 42 CFR §422.134, each RI Program offered by an MA plan:

- *Must not* discriminate against enrollees based on race, gender, chronic disease, institutionalization, frailty, health status or other impairments; and
- Must be designed so that *all* enrollees are able to earn rewards.

Rewards and incentives *associated with the RI Program* must:

- Be offered in connection with the entire service or activity;
- Be offered to all eligible enrollees without discrimination;
- Have a value that may be expected to affect enrollee behavior, but not exceed the value of the health related service or activity itself; and
- Otherwise comply with all relevant fraud and abuse laws, including, when applicable, the anti-kickback statute and civil money penalty prohibiting inducements to enrollees.

Rewards and incentives *associated with the RI Program* may not:

- Be offered in the form of cash or other monetary rebates or
- Be used to target potential enrollees.

*An RI Program is **not** a benefit. It must be included in the bid as a non-benefit expense but must not be entered in the Plan Benefit Package. Per CMS Office of the Actuary Bidding Guidance, “non-benefit expenses are all of the bid-level administrative and other non-medical costs incurred in the operation of the MA plan.”*

The timeframe for earning and redeeming rewards and/or incentives must be within the contract year in which the RI Program has been implemented. In order to prevent the use of rewards as motivation to stay in a plan, RI Programs may not allow enrollees to carry over rewards and/or incentives from one contract year to the next.